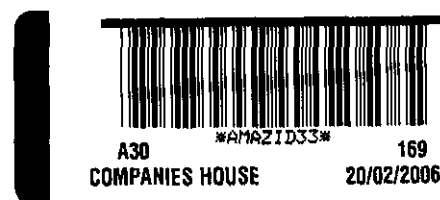


BEACON HOUSE MINISTRIES
(A Company Limited by Guarantee)

**ANNUAL REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005**



Company Registered Number 3177916
Registered Charity Number 1055109

BEACON HOUSE MINISTRIES
(A Company Limited by Guarantee)

1

LEGAL AND ADMINISTRATIVE DETAILS
AS AT 31 MARCH 2005

Registered Numbers:	Charity 1055109 Company 3177916	
Directors:	Dr. E Hall Revd. D Harper Dr B Ikuesan H Spyvee	
Company Secretary:	H Spyvee	
Registered Office:	16 Wakefield Close Colchester CO1 2SD	
Activity Address:	Beacon House 90 East Hill Colchester CO1 2QN	
Bankers:	Barclays Bank plc 9 High Street Colchester CO1 1DD	CafCash Limited Kings Hill West Malling ME19 4TA
Reporting Accountant:	John Woodman Chartered Accountant 3 Cadman House off Peartree Road Colchester CO3 0NW	

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2005

Beacon House Ministries is a company limited by guarantee No 3177916, and is a registered charity No. 1055109. Its address is 90 East Hill, Colchester known 'Beacon House'. The company was formerly known as 'Open Door Ministries'. The name was changed on 11 March 2003 to avoid confusion with Open Door Ministries at Eld Lane which is now a charitable trust.

Objects, Organisation and Activities

The work at Beacon House commenced in August 1996 and this report thus covers its eighth full year of operation. A team of paid and volunteer staff carry out the functions of the Charity. All staff are professing Christians in accordance with Company policy. At the year end 18 staff were paid. The Trustees are grateful to all staff, paid and unpaid, for their high level of commitment and their professional and caring approach to their work. Particular thanks go to our Centre Director, Claire Johnson, for her untiring leadership.

The services Beacon House offers are nurse clinics, advice and referrals, showers, provision of clothing, laundry and haircutting. All services are well used but provision of clothing and laundry services remain the most popular. Relations with local GP's and other providers continue to be good. The work of Life Skills remains at a high level and is an important contribution to the empowering of some of the more vulnerable members of society. Agencies that refer clients for Life Skills training pay for the costs involved and this is a vital form of funding. Counselling work continues to be under pressure with a waiting list of clients.

In September 2004 we moved from a four day to a five day week. The transition, including the recruitment and training of additional staff, went smoothly. However since the start of the new year we have experienced an increase in client visits by over 50%. This has put our staff and resources under greater pressure. As a result we will be even more reliant on churches and individuals who supplement statutory grants by money and gifts in kind.

Our team of four Trustees have remained in post throughout the year. We continue to seek a fifth Director to oversee financial matters. As yet the late David Fletcher has not been replaced. Our Patron, the Rt Revd John Perry, retired at the time he ceased to be Bishop of Chelmsford. He is sadly missed and so far no replacement has been found.

The Trustees are grateful to God for the support and goodwill we have in the Christian community and beyond.

Directors

The trustees who were directors during the year to 31 March 2005 were:-

Revd David Harper	Chairman	Church Relations
Henry Spyvee	Secretary	Legal and Building Maintenance
Dr Elizabeth Hall		Medical matters
Dr Benson Ikuesan		

Financial Position

The accounts on Pages 5 to 9 set out the transactions for the year and the financial situation at 31 March 2005.

DIRECTORS' REPORT - continued
FOR THE YEAR ENDED 31 MARCH 2005

Reserves Policy

The Directors have adopted a policy of aiming to hold 6.0 months unrestricted operating costs in free reserves. At 31 March 2005 the unrestricted free reserves represented only 2.8 months operating costs (2004: 5.2 months).

Future Developments

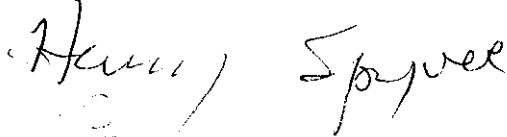
As with similar organisations across the country, we are experiencing funding challenges in the ensuing year. We are meeting this in two ways: firstly trying to raise new funds and, secondly, starting a programme of downsizing/cost saving. Unfortunately the knock on effect is reduced service delivery.

Audit Exemption

The Company has decided not to appoint auditors. Under the provision of the Act the Directors have appointed Reporting Accountants whose report is shown on Page 4 of the accounts.

The Directors have taken advantage, in preparation of their report, of the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the Board of Directors

A handwritten signature in dark ink, appearing to read 'Henry Spyvee', written over a faint circular stamp.

Henry Spyvee
Director/Company Secretary

ACCOUNTANT'S REPORT
FOR THE YEAR ENDED 31 MARCH 2005

I report on the unaudited financial statements for the year ended 31 March 2005 set out on Page 5 to 9.

Respective responsibilities of directors and reporting accountant

As described on Page 6 the company's directors are responsible for the preparation of the financial statements. They consider that the company is exempt from an audit. It is my responsibility to carry out procedures designed to enable me to report my opinion.

Basis of opinion

My work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so my procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as I considered necessary for the purpose of this report. These procedures provide only the assurance expressed in my opinion.

Opinion

In my opinion:-

- (a) the accounts are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in Section 249A(4) of the Act as modified by Section 249A(5) and did not, at anytime within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).



JOHN WOODMAN BSc FCA
Chartered Accountant

3 Cadman House
off Peartree Road
Colchester CO3 0NW

16 November 2005

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an Income & Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2005

	Note	Unrestricted Funds £	Restricted Funds £	2005 Total £	2004 Total £
Incoming Resources					
Donations and gifts		22,858	0	22,858	39,253
Incoming resources from the operating activities of the charity:					
Life Skills project grants		64,441	0	64,441	47,336
other statutory grants		44,764	1,950	46,714	57,342
Fundraising activity		430	0	430	0
Investment income		1,607	0	1,607	1,573
Other incoming resources		137	0	137	4,901
Total Incoming Resources		<u>134,237</u>	<u>1,950</u>	<u>136,187</u>	<u>150,405</u>
Charitable Expenditure					
Cost of activities in furtherance of the charity's objects:					
health care costs		127,842	6,593	134,435	110,042
Support costs		10,883	0	10,883	9,646
Fund raising & publicity		4,502	0	4,502	5,127
Management and administration of the charity		14,021	154	14,175	13,135
Total Charitable Expenditure		<u>157,248</u>	<u>6,747</u>	<u>163,995</u>	<u>137,950</u>
Net (Outgoing)/Incoming Resources		-23,011	-4,797	-27,808	12,455
Fund balances brought forward at 1 April 2004		101,507	328,985	430,492	418,037
Fund balances carried forward at 31 March 2005		<u>£ 78,496</u>	<u>£ 324,188</u>	<u>£ 402,684</u>	<u>£ 430,492</u>
			(Note 4)		

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above. The deficit for the year for Companies Act purposes comprises the net outgoing resources for the year and was £27,808 (2004: Surplus £12,455).

Notes on Pages 7 to 9 form part of these financial statements

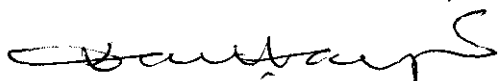
BALANCE SHEET
AS AT 31 MARCH 2005

	Note	£	2005 £	2004 £
FIXED ASSETS				
Tangible assets	6		363,816	<u>372,722</u>
CURRENT ASSETS				
Debtors	7	4,210		2,913
Cash at bank and in hand		<u>37,668</u>		<u>57,439</u>
		41,878		60,352
CREDITORS				
Amounts falling due within one year	8	<u>3,010</u>		<u>2,582</u>
NET CURRENT ASSETS			<u>38,868</u>	<u>57,770</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>£ 402,684</u>	<u>£ 430,492</u>
INCOME FUNDS				
Unrestricted funds	9		78,496	101,507
Restricted funds	4		<u>324,188</u>	<u>328,985</u>
			<u>£ 402,684</u>	<u>£ 430,492</u>

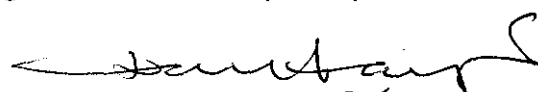
For the financial year ended 31 March 2005 the company was entitled to exemption from audit under Section 249A(2) of the Companies Act 1985. No notice has been deposited under Section 249B(2). The directors acknowledge their responsibility for ensuring that the company keeps accounting records which comply with Section 221 of the Act and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its surplus or deficit for financial year in accordance with the requirements of Section 226 of the Act, and which otherwise comply with the requirements of this Act relating to accounts so far as applicable to the company.

The directors have taken advantage, in the preparation of the financial statements, of the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the board of directors by D Harper



Approved by the board of directors on 15 November 2005
and signed on their behalf by D Harper



Notes of Pages 7 to 9 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005**

1 ACCOUNTING POLICIES

Basis of Accounting: The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (reviewed October 2000) applicable accounting standards and the Companies Act 1985.

Cash Flow Statement: The Company qualifies as a small company under the Companies Act 1985. The directors have elected to take advantage of the exemption under FRS1 not to prepare a cash flow statement.

Turnover: Represents donations, gifts and grants receivable.

Depreciation: of tangible fixed assets is provided at the following annual rates in order to write off each asset over its estimated useful life:-

Freehold buildings	2% straight line
Plant and machinery	20% straight line
Fixtures and fittings	20% straight line
Computers	33 1/3% straight line

No depreciation is provided on freehold land.

2 Operating profit

The operating profit is stated after charging:-

	2005	2004
	£	£
Depreciation on tangible fixed assets	8,906	10,248
Reporting accountants remuneration	760	645

3 Directors remuneration and transactions involving directors

Directors' emoluments	Nil
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4 Restricted Funds

	Balance	Incoming			Balance
	1 April 2004	Resources	Expended	Depreciation	31 March 2005
	£	£	£	£	£
90 East Hill, Colchester	83,249	0	0	1,541	81,708
91 East Hill, Colchester	244,937	0	0	4,628	240,309
Healthy Living project	799	0	578	0	221
Drug User Community Support project	0	1,950	0	0	1,950
	<u>£ 328,985</u>	<u>£ 1,950</u>	<u>£ 578</u>	<u>£ 6,169</u>	<u>£ 324,188</u>

All the £251,375 Restricted Fund grants received in the three years to 31 March 2004 for the purchase, refurbishment and adaptation of 91 East Hill, Colchester, were spent on refurbishing and adapting it for use as an enlarged Beacon House. These grants are being written off in line with the amortisation of expenditure on the properties.

The Healthy Living project has been funded with a grant from Colchester Borough Council.
The drug user community support project has been funded with a grant from the Drug and Alcohol Reference Group through the Crime and Disorder Reduction Programme.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2005

5 Analysis of Total Resources Expended (All Funds)

	Staff Costs £	Other £	Depreciation £	2005 Total £	2004 Total £
Direct charitable expenditure					
Health care costs	109,172	16,540	8,723	134,435	110,042
Support costs	10,883	0	0	10,883	9,646
	<u>120,055</u>	<u>16,540</u>	<u>8,723</u>	<u>145,318</u>	<u>119,688</u>
Other expenditure					
Fund raising & publicity	4,343	159	- 0	4,502	5,127
Management & administration of the charity	8,686	5,306	183	14,175	13,135
	<u>£ 133,084</u>	<u>£ 22,005</u>	<u>£ 8,906</u>	<u>£ 163,995</u>	<u>£ 137,950</u>

All staff costs are attributed to health care costs with the exception of the Centre Director and the Clinical Services Co-ordinator, whose costs are allocated across the expense categories:-

	Centre Director	Clinical Services Co-ordinator
Health care costs	10%	75%
Support costs	30%	25%
Fundraising and publicity	20%	
Management & administration of the charity	40%	

6 Tangible Fixed Assets

	Land and buildings £	Plant and machinery £	Total £
Cost			
As at 1 April 2004	386,538	31,483	418,021
Additions	0	0	0
As at 31 March 2005	<u>386,538</u>	<u>31,483</u>	<u>418,021</u>
Depreciation			
As at 1 April 2004	19,477	25,822	45,299
Charge for year	6,930	1,976	8,906
As at 31 March 2005	<u>26,407</u>	<u>27,798</u>	<u>54,205</u>
Net book values			
As at 31 March 2005	<u>£ 360,131</u>	<u>£ 3,685</u>	<u>£ 363,816</u>
As at 1 April 2004	<u>£ 367,061</u>	<u>£ 5,661</u>	<u>£ 372,722</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2005

7 Debtors

	2005	2004
	£	£
Statutory Authority grants	2,468	0
Inland Revenue - Gift Aid claims (2004: 2 years)	1,382	2,572
Payments in advance	360	341
	<u>£ 4,210</u>	<u>£ 2,913</u>

8 Creditors: amounts falling due within one year

	2005	2004
	£	£
Creditors and accruals	<u>£ 3,009</u>	<u>£ 2,582</u>

9 Analysis of Net Assets Between Funds

	Tangible	Bank	Other	2005
	Fixed Assets	Balances	Net current	Total
	£	£	Assets	£
Restricted Funds	322,017	2,171	0	324,188
Unrestricted Funds	<u>41,799</u>	<u>35,497</u>	<u>1,200</u>	<u>78,496</u>
	<u>£ 363,816</u>	<u>£ 37,668</u>	<u>£ 1,200</u>	<u>£ 402,684</u>